



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

## **HIGHLIGHTS**

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December 18, 2013

### **Procurement-Related Ethical Violations at Vehicle Maintenance Facilities**

Report Number SM-MA-14-002

#### **BACKGROUND:**

U.S. Postal Service employees are required to adhere to prescribed standards of ethical conduct in the performance of their official duties. For example, employees are prohibited from using their public office for private gain and soliciting or accepting any gift or item from those doing business with the Postal Service. The U.S. Postal Service Office of Inspector General (OIG) has completed several investigations in recent years that identified ethical violations by Postal Service vehicle maintenance facility (VMF) employees and contractors. Our objective was to assess procurement-related ethical violations involving current and former Postal Service employees at VMFs to identify internal control deficiencies.

#### **WHAT THE OIG FOUND:**

OIG investigations closed during fiscal years (FY) 2009 through 2013 identified 11 instances of VMF employees receiving bribes in exchange for steering work, receiving kickbacks for arranging fraudulent payments to contractors, or concealing personal relationships with suppliers to secure contract work. The Postal Service paid these contractors more than \$14.5 million during the period of the violations, which occurred in FYs 2004 through 2012.

The ethical violations occurred in an environment in which management did not provide clear roles and

responsibilities for vehicle maintenance repair agreements to ensure separation of duties; nor did current policy require periodic reviews of transactions at VMFs. Furthermore, personnel involved in these cases did not complete annual ethics training. As a result, the Postal Service may be at risk of selecting vendors who do not provide the best value to the Postal Service and overpaying vehicle maintenance repairs.

#### **WHAT THE OIG RECOMMENDED:**

We recommended management issue guidance to clarify roles and responsibilities for vehicle maintenance repair agreements to ensure separation of duties, require periodic reviews of transactions and repairs completed at VMFs, develop additional ethics training, and require annual ethics training for vehicle repair managers and supervisors.